

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: McClendon, Thompson

H.B. No. 3324

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the operations and monitoring of fusion centers in this  
3 state.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 421.001, Government Code, is amended by  
6 adding Subdivisions (2-a), (4), and (5) to read as follows:

7 (2-a) "Fusion center" means a state or regional  
8 multidisciplinary collaborative effort of two or more agencies that  
9 combine resources, expertise, and intelligence and other  
10 information with the goal of maximizing the ability of those  
11 agencies to detect, prevent, and respond to criminal activities or  
12 to otherwise engage in homeland security activities.

13 (4) "Intelligence" means the product of systematic  
14 gathering, evaluation, and synthesis of raw data on individuals or  
15 activities suspected of being, or known to be, criminal in nature.

16 (5) "Recognized fusion center" means a fusion center  
17 operating in this state that has been recognized by the secretary of  
18 homeland security as meeting the fusion center mission identified  
19 in the governor's homeland security strategy and in the Department  
20 of Homeland Security State, Local, and Regional Fusion Center  
21 Initiative established under 6 U.S.C. Section 124h.

22 SECTION 2. Section 421.002(b), Government Code, is amended  
23 to read as follows:

24 (b) The governor's homeland security strategy shall

1 coordinate homeland security activities among and between local,  
2 state, and federal agencies and the private sector and must include  
3 specific plans for:

4 (1) intelligence gathering and analysis;

5 (2) information sharing;

6 (3) reducing the state's vulnerability to homeland  
7 security emergencies;

8 (4) protecting critical infrastructure;

9 (5) protecting the state's international border,  
10 ports, and airports;

11 (6) detecting, deterring, and defending against  
12 terrorism, including cyber-terrorism and biological, chemical, and  
13 nuclear terrorism;

14 (7) positioning equipment, technology, and personnel  
15 to improve the state's ability to respond to a homeland security  
16 emergency;

17 (8) directing the Texas Fusion [~~Infrastructure~~  
18 ~~Protection-Communications~~] Center and giving the center certain  
19 forms of authority to implement the governor's homeland security  
20 strategy; and

21 (9) using technological resources to:

22 (A) facilitate the interoperability of  
23 government technological resources, including data, networks, and  
24 applications;

25 (B) coordinate the warning and alert systems of  
26 state and local agencies;

27 (C) incorporate multidisciplinary approaches to

1 homeland security; and

2 (D) improve the security of governmental and  
3 private sector information technology and information resources.

4 SECTION 3. Section 421.071, Government Code, is amended to  
5 read as follows:

6 Sec. 421.071. COOPERATION AND ASSISTANCE. A state or local  
7 agency that performs a homeland security activity or a  
8 nongovernmental entity that contracts with a state or local agency  
9 to perform a homeland security activity shall cooperate with and  
10 assist the office of the governor, the Homeland Security Council,  
11 the Texas Fusion [~~Infrastructure Protection Communications~~]  
12 Center, and the National Infrastructure Protection Center in the  
13 performance of their duties under this chapter and other state or  
14 federal law.

15 SECTION 4. Section 421.082(b), Government Code, is amended  
16 to read as follows:

17 (b) The center's duties include:

18 (1) promotion of emergency preparedness;

19 (2) receipt and analysis of information, assessment of  
20 threats, and issuance of public warnings related to homeland  
21 security emergencies; [~~and~~]

22 (3) authorization and facilitation of cooperative  
23 efforts related to emergency response and recovery efforts in the  
24 event of a homeland security emergency; and

25 (4) making recommendations to the Department of Public  
26 Safety regarding the monitoring of fusion centers operating in this  
27 state and regarding the functions of the Texas Fusion Center Policy

1 Council created under Section 421.083.

2 SECTION 5. Subchapter E, Chapter 421, Government Code, is  
3 amended by adding Sections 421.083, 421.084, and 421.085 to read as  
4 follows:

5 Sec. 421.083. TEXAS FUSION CENTER POLICY COUNCIL. (a) The  
6 Department of Public Safety shall create the Texas Fusion Center  
7 Policy Council and the bylaws for the council to assist the  
8 department in monitoring fusion center activities in this state.

9 (b) The policy council is composed of one executive  
10 representative from each recognized fusion center operating in this  
11 state.

12 (c) The policy council shall:

13 (1) develop and disseminate strategies to:

14 (A) facilitate the implementation of applicable  
15 federal standards and programs on a statewide basis by each fusion  
16 center operating in this state;

17 (B) expand and enhance the statewide  
18 intelligence capacity to reduce the threat of terrorism and  
19 criminal enterprises; and

20 (C) continuously review critical issues  
21 pertaining to homeland security activities;

22 (2) establish a privacy advisory group, with at least  
23 one member who is a privacy advocate, to advise the policy council  
24 and to meet at the direction of the policy council; and

25 (3) recommend best practices for each fusion center  
26 operating in this state, including:

27 (A) best practices to ensure that the center

1 adheres to state and federal laws designed to protect privacy and  
2 the other legal rights of individuals; and

3 (B) best practices for the smooth exchange of  
4 information among all fusion centers operating in this state.

5 Sec. 421.084. FUSION CENTERS OPERATING IN THIS STATE:  
6 RULES AND MONITORING. (a) After considering the recommendations  
7 of the Texas Fusion Center under Section 421.082(b)(4) and the  
8 Texas Fusion Center Policy Council under Section 421.083(c)(3), the  
9 Department of Public Safety shall adopt rules to govern the  
10 operations of fusion centers in this state, including guidelines  
11 to:

12 (1) establish a common concept of operations for any  
13 fusion center operating in this state, in order to provide clear  
14 baseline standards for each aspect of the center's activities;

15 (2) inform and define the monitoring of those  
16 activities by the Texas Fusion Center Policy Council; and

17 (3) ensure that any fusion center operating in this  
18 state adheres to state and federal laws designed to protect privacy  
19 and the other legal rights of individuals, including laws that  
20 provide clear standards for the treatment of intelligence and for  
21 the collection and storage of noncriminal information, personally  
22 identifiable information, and protected health information.

23 (b) The department may require that a fusion center audited  
24 under applicable department rules pay any costs incurred by the  
25 policy council in relation to the audit.

26 (c) A member of the policy council may not receive  
27 compensation but is entitled to reimbursement for the member's

1 travel expenses as provided by Chapter 660 and the General  
2 Appropriations Act.

3 (d) A fusion center may not receive state grant money if the  
4 center adopts a rule, order, ordinance, or policy under which the  
5 center fails or refuses to comply with rules adopted by the  
6 Department of Public Safety under Subsection (a), beginning with  
7 the first state fiscal year occurring after the center adopts the  
8 rule, order, ordinance, or policy.

9 Sec. 421.085. REPORT. The Texas Fusion Center Policy  
10 Council annually shall submit to the governor and to each house of  
11 the legislature a report that contains, with respect to the  
12 preceding year:

13 (1) the council's progress in developing and  
14 coordinating the statewide fusion effort and intelligence network  
15 described by the governor's homeland security strategy;

16 (2) the progress made by fusion centers operating in  
17 this state in meeting the fusion center guidelines developed under  
18 the Department of Homeland Security State, Local, and Regional  
19 Fusion Center Initiative established under 6 U.S.C. Section 124h;  
20 and

21 (3) a summary of fusion center audits or reviews  
22 conducted under applicable rules adopted by the Department of  
23 Public Safety.

24 SECTION 6. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

1 Act takes effect September 1, 2011.

**ADOPTED**

MAY 23 2011

*Atty. Gen.*  
Secretary of the Senate

By: Watson

\_\_\_\_.B. No. \_\_\_\_

Substitute the following for H.B. No. 3324:

By: Wendy Davis

C.S. \_\_\_\_ .B. No. \_\_\_\_

A BILL TO BE ENTITLED

AN ACT

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relating to the operations and monitoring of fusion centers in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 421.001, Government Code, is amended by adding Subdivisions (2-a), (4), and (5) to read as follows:

(2-a) "Fusion center" means a state or regional multidisciplinary collaborative effort of two or more agencies that combine resources, expertise, and intelligence and other information with the goal of maximizing the ability of those agencies to detect, prevent, and respond to criminal activities or to otherwise engage in homeland security activities.

(4) "Intelligence" means the product of systematic gathering, evaluation, and synthesis of raw data on individuals or activities suspected of being, or known to be, criminal in nature.

(5) "Recognized fusion center" means a fusion center operating in this state that has been recognized by the director of Texas Homeland Security as meeting the fusion center mission identified in the governor's homeland security strategy and in the Department of Homeland Security State, Local, and Regional Fusion Center Initiative established under 6 U.S.C. Section 124h.

SECTION 2. Section 421.002(b), Government Code, is amended to read as follows:

(b) The governor's homeland security strategy shall

1 coordinate homeland security activities among and between local,  
2 state, and federal agencies and the private sector and must include  
3 specific plans for:

- 4 (1) intelligence gathering and analysis;
- 5 (2) information sharing;
- 6 (3) reducing the state's vulnerability to homeland  
7 security emergencies;
- 8 (4) protecting critical infrastructure;
- 9 (5) protecting the state's international border,  
10 ports, and airports;
- 11 (6) detecting, deterring, and defending against  
12 terrorism, including cyber-terrorism and biological, chemical, and  
13 nuclear terrorism;
- 14 (7) positioning equipment, technology, and personnel  
15 to improve the state's ability to respond to a homeland security  
16 emergency;
- 17 (8) directing the Texas Fusion [~~Infrastructure~~  
18 ~~Protection-Communications~~] Center and giving the center certain  
19 forms of authority to implement the governor's homeland security  
20 strategy; and
- 21 (9) using technological resources to:
  - 22 (A) facilitate the interoperability of  
23 government technological resources, including data, networks, and  
24 applications;
  - 25 (B) coordinate the warning and alert systems of  
26 state and local agencies;
  - 27 (C) incorporate multidisciplinary approaches to

1 homeland security; and

2 (D) improve the security of governmental and  
3 private sector information technology and information resources.

4 SECTION 3. Section 421.071, Government Code, is amended to  
5 read as follows:

6 Sec. 421.071. COOPERATION AND ASSISTANCE. A state or local  
7 agency that performs a homeland security activity or a  
8 nongovernmental entity that contracts with a state or local agency  
9 to perform a homeland security activity shall cooperate with and  
10 assist the office of the governor, the Homeland Security Council,  
11 the Texas Fusion [~~Infrastructure Protection Communications~~]  
12 Center, and the National Infrastructure Protection Center in the  
13 performance of their duties under this chapter and other state or  
14 federal law.

15 SECTION 4. The heading to Subchapter E, Chapter 421,  
16 Government Code, is amended to read as follows:

17 SUBCHAPTER E. TEXAS FUSION CENTER AND OTHER FUSION CENTERS  
18 OPERATING IN THIS STATE

19 SECTION 5. Sections 421.082(a) and (b), Government Code,  
20 are amended to read as follows:

21 (a) The Texas Fusion Center [~~center~~] shall serve as the  
22 state's primary entity for the planning, coordination, and  
23 integration of government communications capabilities to help  
24 implement the governor's homeland security strategy and ensure an  
25 effective response in the event of a homeland security emergency.

26 (b) The center's duties include:

27 (1) promotion of emergency preparedness;

1           (2) receipt and analysis of information, assessment of  
2 threats, and issuance of public warnings related to homeland  
3 security emergencies; ~~and~~

4           (3) authorization and facilitation of cooperative  
5 efforts related to emergency response and recovery efforts in the  
6 event of a homeland security emergency; and

7           (4) making recommendations to the Department of Public  
8 Safety regarding the monitoring of fusion centers operating in this  
9 state and regarding the functions of the Texas Fusion Center Policy  
10 Council created under Section 421.083.

11           SECTION 6. Subchapter E, Chapter 421, Government Code, is  
12 amended by adding Sections 421.083, 421.084, 421.085, and 421.086  
13 to read as follows:

14           Sec. 421.083. TEXAS FUSION CENTER POLICY COUNCIL. (a) The  
15 Department of Public Safety shall create the Texas Fusion Center  
16 Policy Council and the bylaws for the council to assist the  
17 department in monitoring fusion center activities in this state.

18           (b) The policy council is composed of one executive  
19 representative from each recognized fusion center operating in this  
20 state.

21           (c) The policy council shall:

22           (1) develop and disseminate strategies to:

23           (A) facilitate the implementation of applicable  
24 federal standards and programs on a statewide basis by each fusion  
25 center operating in this state;

26           (B) expand and enhance the statewide  
27 intelligence capacity to reduce the threat of terrorism and

1 criminal enterprises; and

2 (C) continuously review critical issues  
3 pertaining to homeland security activities;

4 (2) establish a privacy advisory group, with at least  
5 one member who is a privacy advocate, to advise the policy council  
6 and to meet at the direction of the policy council; and

7 (3) recommend best practices for each fusion center  
8 operating in this state, including:

9 (A) best practices to ensure that the center  
10 adheres to 28 C.F.R. Part 23 and any other federal or state law  
11 designed to protect privacy and the other legal rights of  
12 individuals; and

13 (B) best practices for the smooth exchange of  
14 information among all fusion centers operating in this state.

15 Sec. 421.084. FUSION CENTERS OPERATING IN THIS STATE:  
16 RULES AND MONITORING. (a) After considering the recommendations  
17 of the Texas Fusion Center under Section 421.082(b)(4) and the  
18 Texas Fusion Center Policy Council under Section 421.083(c)(3), the  
19 Department of Public Safety shall adopt rules to govern the  
20 operations of fusion centers in this state, including guidelines  
21 to:

22 (1) for any fusion center operating in this state,  
23 establish a common concept of operations to provide clear baseline  
24 standards for each aspect of the center's activities;

25 (2) inform and define the monitoring of those  
26 activities by the Texas Fusion Center Policy Council; and

27 (3) ensure that any fusion center operating in this

1 state adheres to federal and state laws designed to protect privacy  
2 and the other legal rights of individuals, including 28 C.F.R. Part  
3 23 and any other law that provides clear standards for the treatment  
4 of intelligence or for the collection and storage of noncriminal  
5 information, personally identifiable information, or protected  
6 health information.

7 (b) The Department of Public Safety may require that a  
8 fusion center audited under applicable department rules pay any  
9 costs incurred by the policy council in relation to the audit.

10 (c) A member of the policy council may not receive  
11 compensation but is entitled to reimbursement for the member's  
12 travel expenses as provided by Chapter 660 and the General  
13 Appropriations Act.

14 (d) A fusion center may not receive state grant money if the  
15 center adopts a rule, order, ordinance, or policy under which the  
16 center fails or refuses to comply with rules adopted by the  
17 Department of Public Safety under Subsection (a), beginning with  
18 the first state fiscal year occurring after the center adopts the  
19 rule, order, ordinance, or policy.

20 Sec. 421.085. PRIVACY POLICY REQUIRED. (a) Each fusion  
21 center operating in this state shall adopt a privacy policy  
22 providing at a minimum that, with respect to an individual or  
23 organization, the fusion center:

24 (1) will not seek, collect, or retain information that  
25 is based solely on any of the following factors, as applicable to  
26 that individual or organization:

27 (A) religious, political, or social views or

1 activities;

2 (B) participation in a particular organization  
3 or event; or

4 (C) race, ethnicity, citizenship, place of  
5 origin, age, disability, gender, or sexual orientation; and

6 (2) will take steps to ensure that any agency that  
7 submits information to the fusion center does not submit  
8 information based solely on a factor described by Subdivision (1).

9 (b) In a criminal investigation, a factor described by  
10 Subsection (a)(1) may not alone give rise to reasonable suspicion.  
11 However, a factor described by Subsection (a)(1) may be used in  
12 connection with a specific description of a suspect in the  
13 investigation.

14 Sec. 421.086. REPORT. The Texas Fusion Center Policy  
15 Council annually shall submit to the governor and to each house of  
16 the legislature a report that contains, with respect to the  
17 preceding year:

18 (1) the council's progress in developing and  
19 coordinating the statewide fusion effort and intelligence network  
20 described by the governor's homeland security strategy;

21 (2) the progress made by fusion centers operating in  
22 this state in meeting the fusion center guidelines developed under  
23 the Department of Homeland Security State, Local, and Regional  
24 Fusion Center Initiative established under 6 U.S.C. Section 124h;  
25 and

26 (3) a summary of fusion center audits or reviews  
27 conducted under applicable rules adopted by the Department of

1 Public Safety.

2           SECTION 7. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2011.

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 24, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3324** by McClendon (Relating to the operations and monitoring of fusion centers in this state.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require the Department of Public Safety (DPS) to create the Texas Fusion Center Policy Council. The bill includes guidelines and duties that would apply to Texas Fusion Center Policy Council. Following recommendations of the Texas Fusion Center Policy Council, the bill would require DPS to adopt rules to govern the operations of fusion centers in this state. The bill would require fusion centers to pay any costs associated with certain audits and prevent fusion centers from receiving state grant money if the center does not comply with certain guidelines required by rules to be adopted by DPS. Members of the policy council would not be entitled to compensation, but would be entitled to reimbursement for travel expenses. The bill would require each fusion center to adopt a privacy policy.

The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise the bill would take effect September 1, 2011. This analysis assumes DPS could implement the provisions of the bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, SD, KJG, ESi, GG

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 19, 2011**

**TO:** Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE:** HB3324 by McClendon (Relating to the operations and monitoring of fusion centers in this state.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require the Department of Public Safety (DPS) to create the Texas Fusion Center Policy Council. The bill includes guidelines and duties that would apply to Texas Fusion Center Policy Council. Following recommendations of the Texas Fusion Center Policy Council, the bill would require DPS to adopt rules to govern the operations of fusion centers in this state. The bill would require fusion centers to pay any costs associated with certain audits and prevent fusion centers from receiving state grant money if the center does not comply with certain guidelines required by rules to be adopted by DPS. Members of the policy council would not be entitled to compensation, but would be entitled to reimbursement for travel expenses. The bill would require each fusion center to adopt a privacy policy.

The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise the bill would take effect September 1, 2011. This analysis assumes DPS could implement the provisions of the bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, KJG, ESi, GG

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 16, 2011**

**TO:** Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE:** HB3324 by McClendon (Relating to the operations and monitoring of fusion centers in this state.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require the Department of Public Safety to create the Texas Fusion Center Policy Council. The bill includes guidelines and duties that would apply to Texas Fusion Center Policy Council. Following recommendations of the Texas Fusion Center Policy Council, the bill would require DPS to adopt rules to govern the operations of fusion centers in this state. The bill would require fusion centers to pay any costs associated with certain audits and prevent fusion centers from receiving state grant money if the center does not comply with certain guidelines required by rules to be adopted by DPS. Members of the policy council would not be entitled to compensation, but would be entitled to reimbursement for travel expenses. The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise the bill would take effect September 1, 2011. This analysis assumes DPS could implement the provisions of the bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, KJG, ESi, GG

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**Revision 1**

**May 8, 2011**

**TO:** Honorable Sid Miller, Chair, House Committee on Homeland Security & Public Safety

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE:** **HB3324** by McClendon (Relating to the operations and monitoring of fusion centers in this state.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require the Department of Public Safety to create the Texas Fusion Center Policy Council. The bill includes guidelines and duties that would apply to Texas Fusion Center Policy Council. Following recommendations of the Texas Fusion Center Policy Council, the bill would require DPS to adopt rules to govern the operations of fusion centers in this state. The bill would require fusion centers to pay any costs associated with certain audits and prevent fusion centers from receiving state grant money if the center does not comply with certain guidelines required by rules to be adopted by DPS. Members of the policy council would not be entitled to compensation, but would be entitled to reimbursement for travel expenses. The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise the bill would take effect September 1, 2011. This analysis assumes DPS could implement the provisions of the bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, ESi, GG

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 28, 2011**

**TO:** Honorable Sid Miller, Chair, House Committee on Homeland Security & Public Safety

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE:** **HB3324** by McClendon (Relating to the operations and monitoring of fusion centers in this state.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require the Department of Public Safety to create the Texas Fusion Center Policy Council. The bill includes guidelines and duties that would apply to Texas Fusion Center Policy Council. Following recommendations of the Texas Fusion Center Policy Council, the bill would require DPS to adopt rules to govern the operations of fusion centers in this state. The bill would require fusion centers to pay any costs associated with certain audits and prevent fusion centers from receiving state grant money if the center does not comply with certain guidelines required by rules to be adopted by DPS. Members of the policy council would not be entitled to compensation, but would be entitled to reimbursement for travel expenses. The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise the bill would take effect September 1, 2011. This analysis assumes DPS could implement the provisions of the bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, ESi, GG

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 13, 2011**

**TO:** Honorable Sid Miller, Chair, House Committee on Homeland Security & Public Safety

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3324** by McClendon (Relating to intelligence data standards and protected personal information.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3324, As Introduced: a negative impact of (\$1,427,992) through the biennium ending August 31, 2013.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	(\$751,950)
2013	(\$676,042)
2014	(\$676,042)
2015	(\$676,042)
2016	(\$676,042)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund 1</b>
2012	(\$751,950)
2013	(\$676,042)
2014	(\$676,042)
2015	(\$676,042)
2016	(\$676,042)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2011</b>
2012	6.0
2013	6.0
2014	6.0
2015	6.0
2016	6.0

**Fiscal Analysis**

The bill would amend the Government Code to provide guidelines for the collection, storage, and dissemination of intelligence data by law enforcement or criminal justice agencies and criminal intelligence systems, as defined by the bill. The bill would require the Office of Attorney General (OAG) to provide oversight of the intelligence data and privacy protection functions of criminal

intelligence systems in the state. The bill would take effect immediately upon a two-thirds vote of all the members in each house. Otherwise, the bill would take effect September 1, 2011.

### **Methodology**

The Office of the Attorney General indicates that it would require 6 additional staff to implement provisions of the bill totaling \$443,501 out of General Revenue each fiscal year for salaries. Benefit costs associated with those additional FTEs would total \$123,559 each fiscal year out of General Revenue. In addition, the agency indicates that it would require \$100,000 in fiscal year 2012 and \$65,000 each remaining fiscal year out of General Revenue for technology related equipment and software. Operating expenses would total \$66,690 in fiscal year 2012 and \$25,782 each remaining fiscal year out of General Revenue. Travel expenses would total \$18,200 each fiscal year out of General Revenue.

The Department of Public Safety (DPS) indicates the bill's definition of "criminal intelligence system" could include any database and accompanying equipment and facilities maintained by DPS, including criminal history information, emergency management, driver's license, private security, crime lab, and criminal and traffic enforcement databases. To ensure compliance with the bill's requirements, DPS would have to review the policies and procedures of every database. Additionally, DPS indicates the bill's restrictions regarding the maintenance of certain noncriminal information would inhibit the functions and purpose of several areas of DPS including driver's licenses, private security, concealed handgun registration, controlled substance registration, and commercial vehicle enforcement. Due to the issues listed above, DPS indicates the level and scope of the costs associated with the bill's provisions cannot be determined.

### **Technology**

the OAG indicates that it would require \$100,000 in fiscal year 2012 and \$65,000 each remaining fiscal year out of General Revenue for technology related equipment and software.

### **Local Government Impact**

The bill would provide guidelines for local law enforcement's collection of and access to personal information when utilizing criminal intelligence systems. This could lead to some costs and additional administrative burden. Costs would depend on specific policies adopted by law enforcement, as well as the policies a local law enforcement agency currently has in place; however fiscal impact on local governments is not anticipated to be significant.

**Source Agencies:** 302 Office of the Attorney General, 405 Department of Public Safety

**LBB Staff:** JOB, ESi, GG